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REPORT
102-164

VETERANS' COMPENSATION RATE AMENDMENTS OF 1991

JULY 25, 1991.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 1046]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1046) to amend title 38, United States Code, to increase, effective as of December 1, 1991, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, having considered the same, report favorably thereon, with an amendment, by unanimous voice vote, and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Compensation Rate Amendments of 1991".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DISABILITY COMPENSATION.

(a) 4.8 PERCENT INCREASE.—Section 314 is amended—

(1) by striking out "$80" in subsection (a) and inserting in lieu thereof "$84";

(2) by striking out "$151" in subsection (b) and inserting in lieu thereof "$158";

(3) by striking out "$231" in subsection (c) and inserting in lieu thereof "$242";

(4) by striking out "$330" in subsection (d) and inserting in lieu thereof "$346";

(5) by striking out "$470" in subsection (e) and inserting in lieu thereof "$493";

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(6) by striking out "$592" in subsection (f) and inserting in lieu thereof "$620";

(7) by striking out "$748" in subsection (g) and inserting in lieu thereof "$784";

(8) by striking out "$865" in subsection (h) and inserting in lieu thereof "$907";

(9) by striking out "$974" in subsection (i) and inserting in lieu thereof "$1,021";

(10) by striking out "$1,620" in subsection (j) and inserting in lieu thereof "$1,698";

(11) by striking out "$2,014" and "$2,823" in subsection (k) and inserting in lieu thereof "$2,111"; and "$2,959", respectively;

(12) by striking out "$2,014" in subsection (l) and inserting in lieu thereof "$2,111";

(13) by striking out "$2,220" in subsection (m) and inserting in lieu thereof "$2,327";

(14) by striking out "$2,526" in subsection (n) and inserting in lieu thereof "$2,647";

(15) by striking out "$2,823" each place it appears in subsections (o) and (p) and insert in lieu thereof "$2,959";

(16) by striking out "$1,212" and "$1,805" in subsection (r) and inserting in lieu thereof "$1,270" and "$1,892", respectively; and

(17) by striking out "$1,812" in subsection (s) and inserting in lieu thereof "$1,899".

(b) SPECIAL RULE.—The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 315(l) is amended—

(1) by striking out "$96" in clause (A) and inserting in lieu thereof "$101";

(2) by striking out "$163" and "$50" in clause (B) and inserting in lieu thereof "$171" and "$52", respectively;

(3) by striking out "$67" and "$50" in clause (C) and inserting in lieu thereof "$70" and "$52", respectively;

(4) by striking out "$77" in clause (D) and inserting in lieu thereof "$81";

(5) by striking out "$178" in clause (E) and inserting in lieu thereof "$187"; and

(6) by striking out "$149" in clause (F) and inserting in lieu thereof "$156".

SEC. 4. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 362 is amended by striking out "$436" and inserting in lieu thereof "$457".

SEC. 5. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 411 is amended—

(1) by striking out the table in subsection (a) and inserting in lieu thereof the following:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	$623	W-4	$893
E-2	641	O-1	788
E-3	659	O-2	813
E-4	700	O-3	871
E-5	719	O-4	921
E-6	735	O-5	1,016
E-7	770	O-6	1,147
E-8	813	O-7	1,238
E-9	[1] 850	O-8	1,357
W-1	788	O-9	1,456
W-2	820	O-10	[2] 1,597
W-3	844		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $917.

"[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,711.";

(2) by striking out "$68" in subsection (b) and inserting in lieu thereof "$71";

(3) by striking out "$178" in subsection (c) and inserting in lieu thereof "$187"; and

(4) by striking out "$87" in subsection (d) and inserting in lieu thereof "$91".

SEC. 6. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 413(a) is amended—

(1) by striking out "$299" in clause (1) and inserting in lieu thereof "$313";

(2) by striking out "$431" in clause (2) and inserting in lieu thereof "$452";

(3) by striking out "$557" in clause (3) and inserting in lieu thereof "$584"; and

(4) by striking out "$557" and "$110" in clause (4) and inserting in lieu thereof "$584" and "$115", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 414 is amended—

(1) by striking out "$178" in subsection (a) and inserting in lieu thereof "$187";

(2) by striking out "$299" in subsection (b) and inserting in lieu thereof "$313"; and

(3) by striking out "$151" in subsection (c) and inserting in lieu thereof "$158".

SEC. 7. EFFECTIVE DATE FOR RATE INCREASES.

The amendments made by this Act shall take effect on December 1, 1991.

INTRODUCTION

The Administration's proposed fiscal year 1992 budget request submitted earlier this year recommended that increases in the service-connected disability compensation and DIC programs be indexed to the annual change in the Consumer Price Index (CPI) in the same manner as the non-service-connected disability pension program and Social Security. The Administration estimated that the cost-of-living increase for these programs, effective December 1, 1991, would be 5.2 percent, based on the changes in the CPI from the third quarter of calendar year 1990 to the third quarter of calendar year 1991.

In its report to the Committee on the Budget, submitted March 17, 1991, the Committee recommended that the Budget Resolution contain new budget authority and outlays for a 5.2 percent COLA, effective December 1, 1991, based on the Administration's projection. On February 21, 1991, the Chairman of the Subcommittee on Compensation, Pension and Insurance, the Honorable Douglas Applegate, introduced H.R. 1046, a bill that would provide a 5.2 percent cost-of-living adjustment (COLA) in the rates of service-connected disability compensation and DIC. On April 16, 1991, during a hearing before the Subcommittee on Compensation, Pension and Insurance on H.R. 1046, spokesmen for the Department of Veterans Affairs (DVA) testified that the Administration strongly supports COLA's based upon actual increases in the cost of living, but that the Administration believes this can best be done by legislation that would provide for an automatic annual increase in compensation rates indexed to the CPI increases. On July 10, 1991, the Subcommittee approved H.R. 1046 for consideration by the full Committee. On July 23, 1991, the full Committee ordered H.R. 1046

favorably reported, with an amendment in the nature of a substitute.

Summary of the Bill

H.R. 1046 as reported, would increase, by 4.8 percent, effective December 1, 1991, the rates of compensation for service-connected disabilities and rates of dependency and indemnity compensation for surviving spouses and children of veterans who die of service-connected causes and increase by 4.8 percent the aid and attendance allowance payable to eligible veterans and surviving spouses, the additional amounts for dependents and survivors, and the clothing allowance for certain veterans.

Background of the Compensation and Dependency and Indemnity Compensation Programs

There were approximately 2.15 million veterans receiving disability compensation as of June 1, 1991. The Department of Veterans Affairs expenditures for disability compensation for fiscal year 1992 are expected to be $8.9 billion.

The basic purpose of the disability compensation program, throughout its history, has been one of providing a measure of relief from the impaired earning capacity of veterans disabled as the result of their military service. To be eligible to receive disability compensation a veteran must have contracted a disease, suffered an injury which is not the result of willful misconduct, or aggravated an existing disease or injury in the line of duty during active duty service and have been discharged under other than dishonorable conditions.

The amount of compensation payable varies according to the degree of disability, which, in turn, is required by law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations.

The responsibility for determining a veteran's entitlement to service connection for a disability rests solely with the Department of Veterans Affairs. This determination is based upon the service medical records or other evidence which may be presented to the Department by the veteran. The law provides that if a veteran had service of 90 days or more during time of war or after December 31, 1946, and develops a chronic or tropical disease to a degree of ten percent or more within one year of his discharge from such service, service connection may be granted by presumption. Service connection may be granted by presumption for active tuberculosis or Hansen's disease (leprosy) which becomes manifest to a degree of 10 percent or more within three years of a veteran's discharge from such service and for multiple sclerosis becoming manifest to a 10-percent degree within seven years of a veteran's discharge from such service. In cases of prisoners of war, diseases related to nutritional deficiencies or anxiety states or psychosis which become manifest to a degree of 10 percent or more at any time after service may be granted service connection on a presumptive basis.

When a claim for service-connected disability benefits is received from a veteran, the Department obtains the service medical records

and the issue of service connection is generally decided based upon such records. If the service medical records do not establish that the disability was incurred in service, the veteran may submit evidence to substantiate the contention. Generally, this may be by statements from persons with whom the veteran served relating knowledge of the veteran's injury or disease. The Department also would consider the question of entitlement to service connection by presumption if the disability is a chronic disease becoming manifest within the prescribed period of time. If a veteran is granted service connection, the percentage of disability is generally based upon the findings of a DVA examination. If a veteran with a service-connected disability should feel in some later year that the disability has increased in severity, evidence of this, usually a statement of recent medical treatment, may be presented to request reevaluation of the disability. Should the Department deny service connection or deny a request for an increased rating, the veteran may appeal the denial decision to the Board of Veterans' Appeals, provided the veteran notifies the Department of his or her disagreement with the decision within one year of the date of notification of the decision.

The law provides that a case involving a complex or controversial medical issue may be referred to a medical specialist outside of the Department of Veterans Affairs for an advisory opinion. The law also provides that, if service connection for a veteran's disability has been in existence for 10 or more years, service connection may not be severed except in the case of fraud. The law further provides that a disability rated continuously at or above an evaluation for 20 or more years shall not thereafter be rated at a lesser evaluation.

The percentage of disability for a specific disability is assigned in accordance with a "Schedule for Rating Disabilities" which is used as the guideline for measuring the degree of disability. Compensation is paid for disabilities at ratings of 10 percent, 20 percent, 30 percent, and so forth up to 100 percent. The amount of compensation payable for each percentage of disability is established by law. Additional compensation is payable for the loss of a limb, blindness, and other severe disabilities. Additional dependency allowance is payable to veterans with a rating of 30 percent or more for a spouse, minor children, or dependent parents.

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVORS OF VETERANS WHO HAVE DIED OF SERVICE-CONNECTED CAUSES

As of June 1, 1991, there were approximately 276,000 spouses and 38,000 children receiving dependency and indemnity compensation (DIC). These are the survivors of more than 300,000 veterans who either died in service or who died of service-incurred causes. About $2.4 billion is expected to be paid in fiscal year 1992 to the survivors. Widows and children of veterans who died of causes determined to be service-connected are entitled to receive monthly DIC.

The following table shows by war period the number of surviving spouses and children of service-connected veterans in receipt of survivors' death benefits:

ACTIVE DEPENDENCY AND INDEMNITY COMPENSATION CASES

	DIC BENEFICIARIES		
	Total	Spouses	Children
Total	314,467	276,026	38,441
World War I	12,729	12,021	708
World War II	128,445	124,269	4,176
Korean Conflict	33,036	31,391	1,645
Vietnam era	82,662	65,435	17,227
Spanish/American War	45	33	12
Mexican border period	2	1	1
Indian War	0	0	0
Civil War	1	0	1
Regular Establishment (June 1, 1991)	57,547	42,876	14,671

The purpose of this benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement since the Nation assumes, in part, the legal and moral obligation of the veteran to support the spouse and children. Payments of DIC for surviving spouses are determined on the basis of the veteran's service pay-grade and range from $594 for the surviving spouse of an E–1 to $1,524 for the surviving spouse of an O–10. Surviving spouses are entitled to an additional $68 for each child.

There is an additional allowance of $178 monthly which is payable to eligible surviving spouses who are patients in a nursing home or who are in need of the regular aid and attendance of another person. Surviving spouses qualified for DIC who are not so disabled as to require the regular aid and attendance of another person but who, due to disability, are permanently housebound, may be granted a special allowance of $87 monthly in addition to the DIC rate otherwise payable. If there is no surviving spouse receiving dependency and indemnity compensation benefits but there is a surviving child, the child is entitled to $299 monthly with additional benefits for other children.

When a service-connected disability is found to be the principal or contributory cause of death, such death is considered to be service connected. These determinations are made on a very liberal basis. For example, there are disabilities which by their very nature are so overwhelming that eventual death can be anticipated irrespective of co-existing conditions. Even though such a disability is non-service-connected and is the primary cause of death, consideration is given to whether the co-existing service-connected conditions were of such severity as to have been a material influence in accelerating death. Where death had been so accelerated, it will be considered service connected. The death of any veteran whose service-connected disabilities were the primary cause of death or contributed materially in producing death would, of course, render the survivor basically eligible for service-connected death benefits.

The same benefits provided for those entitled to DIC are also payable to surviving spouses or children of certain veterans whose deaths are not service-connected but who, at death, had been in re-

ceipt of total (100 percent) ratings for service-connected disabilities. It is necessary for entitlement under this provision that the 100 percent rating have been in effect continuously for at least ten years at death; or continuously since service and for at least five years. A surviving spouse must have been married to a veteran for at least one year at the time of death before entitlement exists.

PERCENT OF INCREASE IN COMPENSATION RATES

Historically, the Congress has increased compensation rates whenever there has been an appreciable increase in the cost-of-living index, since the rates are not indexed to the Consumer Price Index by law. This is necessary to ensure that inflation does not erode the purchasing power of those receiving compensation and DIC benefits. The following table shows the percentage increases that have been enacted since 1970:

INCREASES IN SERVICE-CONNECTED DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

1970 TO PRESENT

Public Law	Percent Increase (Average or Range)	Effective Date
91-376	10.0	July 1, 1970
92-328	10.0	August 1, 1972
93-295	15 - 18	May 1, 1974
94-71	6.3 - 10	August 1, 1975
94-433	8.0	October 1, 1976
95-117	6.6	October 1, 1977
95-479	7.3	October 1, 1978
96-128	9.1	October 1, 1979
96-385	14.3	October 1, 1980
97-66	11.2	October 1, 1981
97-306	7.4	October 1, 1982
98-223	3.5	April 1, 1984
98-543	3.2	Dec. 1, 1984
99-238	3.1	Dec. 1, 1985
99-576	1.5	Dec. 1, 1986
100-227	4.2	Dec. 1, 1987
100-687	4.1	Dec. 1, 1988
101-237	4.7	Dec. 1, 1989
102-3	5.4	January 1, 1990

DISCUSSION OF THE REPORTED BILL

PROPOSED COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE ADJUSTMENTS—TITLE I

Sections 2 through 7 of H.R. 1046 would provide, effective December 1, 1991, a 4.8 percent cost-of-living adjustment in the rates of compensation and dependency and indemnity compensation.

As indicated earlier, the Administration proposed indexing these rates to the annual adjustment in the consumer price index in the same manner as the non-service-connected pension program and social security. The Committee does not believe such action would be in the best interest of veterans. It is extremely important that

the rate increases for compensation and DIC be legislated on a periodic basis by the Congress rather than being tied directly to changes in the CPI. It is argued that indexing the rates of compensation and DIC would obviate the need for annual Congressional action. However, this would remove from the Congressional arsenal a vehicle through which periodic and necessary improvements to the programs may be made. Furthermore, there is precedent for the Congress enacting a higher increase than would otherwise have resulted through indexing. For example, in enacting Public Law 98–576, effective December 1, 1986, the Congress provided a 1.5 percent increase for these service-connected benefits rather than the 1.3 percent increase reflected by the change in the CPI that would otherwise have resulted. Similarly, Public Law 100–687, effective December 1, 1988, provided a 4.1 percent increase while the change in the CPI was 4.0 percent. For these reasons, the Committee has rejected the Administration's indexing proposal.

Should the proposed 4.8 percent rate increase be enacted, the changes in compensation and DIC rates effective December 1, 1991 would be as follows:

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1991

		Increase (monthly rate)	
		From	To
Percentage of disability or subsection under which payment is authorized:			
(a)	10 percent	$80	$84
(b)	20 percent	151	158
(c)	30 percent	231	242
(d)	40 percent	330	346
(e)	50 percent	470	493
(f)	60 percent	592	620
(g)	70 percent	748	784
(h)	80 percent	865	907
(i)	90 percent	974	1,021
(j)	100 percent	1,620	1,698
Higher statutory awards for certain multiple disabilities:			
(k)	(1) Additional monthly payment for anatomical loss, or loss of use of, any of these organs: one foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss.	66	66
	(2) Limit for veterans receiving payments under (a) to (j) above	2,014	2,111
	(3) Limit for veterans receiving benefits under (l) to (n) below	2,823	2,959
(l)	Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200) visual acuity or less), permanently bedridden or so helpless as to require aid and attendance.	2,014	2,111
(m)	Anatomical loss or loss of use of both hands, or of both legs, at a level preventing natural knee action with prosthesis in place or of 1 arm and 1 leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require aid and attendance.	2,220	2,327
Percentage of disability or subsection under which payment is authorized:			
(n)	Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of 1 arm and 1 leg so near shoulder and hip to prevent use of prosthesis.	2,526	2,647

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1991—Continued

		Increase (monthly rate)	
		From	To
(o)	Disability under conditions entitling veterans to two or more of the rates provided in (1) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less) or deafness rated at 40 percent or total deafness in one ear (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis.	2,823	2,959
(p)	(1) If disabilities exceed requirements of any rates prescribed, Secretary of Veterans Affairs may allow next higher rate or an intermediate rate, but in no case may compensation exceed.	2,823	2,959
	(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed.	2,823	2,959
	(3) Blindness with only light perception or less with bilateral deafness (hearing impairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, the next intermediate rate is payable, but in no event may compensation exceed.	2,823	2,959
	(4) Anatomical loss or loss of use of three extremities, the next higher rate in paragraphs (l) to (n) but in no event in excess of.	2,823	2,959
(q)	[This subsection repealed by Public Law 90–493.]		
(r)	(1) If veteran entitled to compensation under (o) or to the maximum rate under (p); or at the rate between subsections (n) and (o) and under subsection (k), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates.	1,212	1,270
	(2) If the veteran, in addition to need for regular aid and attendance is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (o) or (p) rate.	1,805	1,892
(s)	Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.	1,812	1,899
(t)	[This subsection repealed by Public Law 99–576.]		

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 30, 40, 50, 60, 70, 80 or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. For example, a veteran who is 50 percent disabled receives 50 percent of the amounts which appear below.

	Increase (monthly rate)	
	From	To
If and while veteran is rated totally disabled and—		
Has a spouse	$96	$101
Has a spouse and child	163	171
Has no spouse, 1 child	67	70
For each additional child	50	52
For each dependent parent	77	81
For each child age 18–22 attending school	149	156
Has a spouse in nursing home or severely disabled	178	187
Has disabled, dependent adult child	178	187

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1991—Continued

Pay grade	Increase (monthly rate)	
	From	To
E–1	$594	$623
E–2	612	641
E–3	629	659
E–4	668	700
E–5	686	719
E–6	701	735
E–7	735	770
E–8	776	813
E–9	[1] 811	[1] 850
W–1	752	788
W–2	782	820
W–3	805	844
W–4	852	893
O–1	752	788
O–2	776	813
O–3	831	871
O–4	879	921
O–5	969	1,016
O–6	1,094	1,147
O–7	1,181	1,238
O–8	1,295	1,357
O–9	1,389	1,456
O–10	[2] 1,524	[2] 1,597

[1] If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $917.

[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps or Comandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,711.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows.

	Increase (monthly rate)	
	From	To
One child	$299	$313
Two children	431	452
Three children	557	584
Each additional child	110	115

SECTION-BY-SECTION ANALYSIS OF H.R. 1046

Section 1 states that this Act may be cited as the Veterans' Compensation Rate Amendments of 1991.

Section 2 would amend present section 314 of title 38, relating to the rates of service-connected disability compensation.

Subsection (a) of section 2 would amend subsections (a) through (j) of present section 314 to increase by 4.8 percent the basic monthly rates of compensation paid to veterans with service-connected disabilities rated from 10 to 100 percent. The Committee bill would also increase by 4.8 percent:

The higher monthly rates of compensation authorized under subsections (l) through (o) and (s) of section 314 for veterans with certain combinations of severe disabilities;

The maximum amount payable monthly to a veteran under subsection (p), which authorizes the Secretary to pay the next higher rate or intermediate rate to a veteran whose disabilities exceed the requirements for any of the rates prescribed in section 314, or who is both blind and deaf;

The rates payable monthly under subsection (r) to veterans who are in need of aid and attendance; and

The rate payable under subsection (s) to veterans who are permanently housebound.

Subsection (b) of section 2 would authorize the Secretary to increase by 4.8 percent the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38. Public Law 85–857 generally codified in title 38 of the United States Code the law relating to veterans' benefits; section 10 of that law provides that any person who was receiving benefits as a veteran on December 31, 1958, under public laws administered by the VA but not so codified, is to continue to receive benefits at the rates payable under such public laws or under corresponding provisions of title 38, whichever is the greater, so long as he or she remains eligible.

Section 3 would amend paragraph (1) of present section 315 of title 38, relating to additional compensation payable monthly to veterans with service-connected disabilities rated as 30 percent or more disabling who have spouses, children, or dependent parents, to increase those allowances by 4.8 percent. Under paragraph (2) of present section 315, which is not amended by the Committee bill, the additional compensation payable for dependents to veterans rated from 30- to 90-percent disabled is prorated, so that, for example, a veteran rated at 30 percent receives 30 percent of that amount specified in paragraph (1) of section 315.

Section 4 would amend present section 362 of title 38, relating to the clothing allowance payable annually to a veteran receiving compensation whose disability requires the use of a prosthetic or orthopedic appliance or appliances, including a wheelchair, that tends to wear out or tear the veteran's clothing, to increase that allowance by 4.8 percent.

Section 5 would amend present section 411 of title 38, relating to the rates of dependency and indemnity compensation (DIC) for the surviving spouses of veterans whose deaths are service connected.

Clause (1) of section 5 would amend subsection (a) of present section 411 to increase by 4.8 percent the DIC benefit payable monthly to the surviving spouse of a veteran who has died as a result of service-connected disability. Under current law, a surviving spouse's DIC is paid according to the pay grade—service rank—of the deceased veteran. The DIC rate payable to the surviving

spouses of veterans who had attained the grades of E–1 through 0–10 would be increased by 4.8 percent, and proportionate increases would be provided in the rates payable to the surviving spouses of veterans who had served in the positions specified in footnotes 1 and 2 to the table of grades and rates in existing section 411 of title 38, United States Code.

The enactment of these increases would automatically result in identical increases in the benefits payable at DIC rates under section 418 of title 38 to surviving spouses of certain veterans compensated at the 100-percent rate whose deaths were not service connected.

Clause (2) of section 5 would amend subsection (b) of present section 411 of title 38 to increase by 4.8 percent the dependents' allowance for each child under the age of 18 to a surviving spouse receiving DIC.

Clause (3) of section 5 would amend subsection (c) of present section 411 of title 38 to increase by 4.8 percent the additional amount of DIC payable monthly to a surviving spouse who is a patient in a nursing home or who is helpless or blind or so nearly helpless or blind as to be in need of regular aid and attendance.

Clause (4) of section 5 would amend subsection (d) of present section 411 of title 38 to increase by 4.8 percent the DIC payable monthly to a surviving spouse who is so disabled as to be permanently housebound.

Section 6. Subsection (a) of section 6 would amend present section 413 of title 38, relating to DIC for surviving children of veterans whose deaths were service-connected, to provide a 4.8 percent increase in the monthly rates of DIC payable to the veteran's children where no surviving spouse is entitled.

Benefits payable at DIC rates under section 418 of title 38 to the surviving children of certain veterans compensated at the 100 percent rate whose deaths were not service connected would also be automatically increased as a result of this increase.

Subsection (b) of section 6 would amend present section 414 of title 38, relating to supplemental DIC for certain surviving children.

Paragraph (1) of subsection (b) would amend subsection (a) of present section 414 to provide a 4.8 percent increase in the additional allowance payable monthly to a child eligible for DIC who has attained the age of 18 and who became permanently incapable of self-support before reaching age 18.

Paragraph (2) of subsection (b) would amend subsection (b) of present section 414 to provide a 4.8 percent increase in the DIC payable monthly, concurrently with the payment of DIC to a surviving spouse, to a surviving child who has attained the age of 18 and who became permanently incapable of self-support before reaching age 18.

Paragraph (3) of subsection (b) would amend subsection (c) of present section 414 to provide a 4.8 percent increase in the additional DIC payable monthly, concurrently with the payment of DIC to a surviving spouse, to a surviving child pursuing a course of education approved under present section 104 of title 38.

Section 7 would provide that the amendments made by the Act shall take effect on December 1, 1991.

OVERSIGHT FINDINGS

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

INFLATIONARY IMPACT STATEMENT

The enactment of the reported bill would have no inflationary impact.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congression Budget Office on the cost of the reported bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 24, 1991.

Hon. G.V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate of H.R. 1046, the Veterans' Compensation Rates Amendments of 1991, as ordered reported by the Committee on Veterans Affairs on July 23, 1991.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Attachment:

1. Bill number: 1046
2. Bill title: Veterans' Compensation Rates Amendments of 1990.
3. Bill status: As ordered reported by the House Committee on Veterans' Affairs, July 23, 1991.
4. Bill purpose: To increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.
5. Estimated cost to the Federal Government:

Because the compensation cost of living allowance (COLA) is assumed in the CBO baseline prepared under Section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, this bill would have no cost relative to that baseline. The costs of this bill relative to current law are shown in the table below.

[By fiscal years, in millions of dollars]

	1992	1993	1994	1995	1996
Budget Authority	486	580	578	577	576
Outlays	438	580	624	577	530

The cost of this bill would fall in budget function 700.

Basis of Estimate

This bill would increase the monthly rates of disability compensation and Dependency and Indemnity Compensation (DIC) by 4.8 percent and round the new rates to the nearest whole dollar. These new rates would be effective on December 1, 1991.

The estimates above were calculated by multiplying the average costs in each year for all disability compensation cases and for all DIC cases by the COLA pecentage. The resulting average increase in costs per year were then multiplied by the estimated number of cases in each program each year to calculate the annual cost. Future average cost and caseload levels were projected according to historical trends for recipients by period of service.

6. Pay-as-you-go considerations:

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. The benchmark against which changes in direct spending or receipts are measured is the baseline as described in section 257 of the 1985 law. The spending increases shown above are included in that baseline. For this reason, this bill has no pay-as-you-go implications.

7. Estimated cost to state and local government:

The Congressional Budget Office has determined that the budgets of state and local governments would not be significantly affected by the enactment of this bill.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Sandra Clark.

11. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Attachment:

CONGRESSIONAL BUDGET OFFICE ESTIMATE [1]

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

[By fiscal years, in millions of dollars]

	1992	1993	1994	1995	1996
Change in Outlays	0	0	0	0	0
Change in Receipts	Not applicable				

[1] An estimate of H.R. 1046, the Veterans' Compensation Rates Amendments of 1991, as ordered by the Committee on Veterans' Affairs on July 23, 1991. The estimate was transmitted by the Congressional Budget Office on July 24, 1991.

Department Views

The Committee received the following views of the Department of Veterans' Affairs regarding H.R. 1046 as introduced:

DEPARTMENT OF VETERANS AFFAIRS,
THE SECRETARY OF VETERANS AFFAIRS,
Washington, DC, May 3, 1991.

Hon. G.V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am pleased to furnish the views of the Department of Veterans Affairs (VA) on H.R. 1046, 102nd Congress, a bill to increase, effective December 1, 1991, "the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans."

H.R. 1046 would provide a 5.2 percent increase in the rates of compensation for service-disabled veterans and of dependency and indemnity compensation (DIC) for the survivors of veterans who die as a result of service. VA strongly supports cost-of-living allowances (COLAs) for these most deserving beneficiaries. The President's FY 1992 budget includes a 5.2 percent rate increase, the same as those projected for social security and veterans' pension recipients. We believe, however, that the Committee should consider proposals to make these increases automatic based on changes in the Consumer Price Index (CPI), as the Congress has done in the pension program.

Compensation is payable only for disabilities resulting from injuries or diseases incurred or aggravated during active service. Payments are based upon a statutory schedule of rates which vary with the degree of disability assigned by VA, and additional amounts are payable to veterans with spouses and children.

DIC benefits are payable at statutorily directed rates to the surviving spouses or children of veterans who die of service-connected causes, or who die of other causes if they suffered periods immediately preceding their deaths.

Administration of the disability compensation and DIC programs is one of the Department of Veterans' Affairs most important missions. As of March 1991, there were 2,181,265 service-disabled veterans on our compensation rolls, and DIC payments were being made to 314,266 surviving spouses and children of veterans. It is important that their benefit rates be periodically adjusted to keep pace with increasing consumer prices.

VA estimates the cost of H.R. 1046 to be $520.4 million in fiscal year 1992, with a five-year cost of just over $3 billion for fiscal years 1992 through 1996. These estimates are based on caseload and average benefit assumptions included in the President's Budget transmitted to Congress in February. These estimates will be revised later in the fiscal year to reflect the higher caseload and average-benefit assumptions underlying the additional funds for compensation and pensions as provided by P.L. 102-27, the Dire Emergency Supplemental Appropriations Act of 1991.

Although both H.R. 1046 and the President's 1992 Budget proposal would provide a 5.2 percent increase, because of differences in rounding methods, H.R. 1046 would cost an additional $7.3 million in 1992 and $49.9 million over five years. These preliminary estimates will increase modestly as a result of P.L. 102-27. The Office

of Management and Budget has advised us that these additional costs would be scored as pay-as-you-go for purposes of the Omnibus Budget Reconciliation Act of 1990 enforcement.

The Office of Management and Budget previously advised that there was no objection, from the standpoint of the Administration's program, to submitting testimony to Congress concerning H.R. 1046 which was virtually identical to the views expressed in this report.

Sincerely,

EDWARD J. DERWINSKI.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

* * * * * * *

Subchapter II—Wartime Disability Compensation

* * * * * * *

§ 314. Rates of wartime disability compensation

For the purposes of section 310 of this title—

(a) if and while the disability is rated 10 percent the monthly compensation shall be **[**$80**]** *$84*;

(b) if and while the disability is rated 20 percent the monthly compensation shall be **[**$151**]** *$158*;

(c) if and while the disability is rated 30 percent the monthly compensation shall be **[**$231**]** *$242*;

(d) if and while the disability is rated 40 percent the monthly compensation shall be **[**$330**]** *$346*;

(e) if and while the disability is rated 50 percent the monthly compensation shall be **[**$470**]** *$493*;

(f) if and while the disability is rated 60 percent the monthly compensation shall be **[**$592**]** *$620*;

(g) if and while the disability is rated 70 percent the monthly compensation shall be **[**$748**]** *$784*;

(h) if and while the disability is rated 80 percent the monthly compensation shall be **[**$865**]** *$907*;

(i) if and while the disability is rated 90 percent the monthly compensation shall be **[**$974**]** *$1,021*;

(j) if and while the disability is rated as total the monthly compensation shall be [$1,620] *$1,698*;

(k) if the veteran, as the result of service-connected disabilitiy, has suffered the anatomical loss or loss of use of one or more creative organs, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, or has suffered complete organic aphonia with constant inability to communicate by speech, or deafness of both ears, having absence of air and bone conduction, the rate of compensation therefor shall be $66 per month for each such loss or loss of use independent of any other compensation provided in subsections (a) through (j) or subsection (s) of this section but in no event to exceed [$2,014] *$2,111* per month; and in the event the veteran has suffered one or more of the disabilities heretofore specified in this subsection, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by $66 per month for each such loss or loss of use, but in no event to exceed [$2,823] *$2,959* per month;

(l) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both feet, or of one hand, and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be [$2,014] *$2,111*;

(m) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both hands, or of both legs at a level, or with complications, preventing natural knee action with prostheses in place, or of one arm and one leg at levels, or with complications, preventing natural elbow and knee action with prostheses in place, or has suffered blindness in both eyes, having only light perception, or has suffered blindness in both eyes, rendering such veteran so helpless as to be in need of regular aid and attendance, the monthly compensation shall be [$2,220] *$2,327*;

(n) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both arms at levels, or with complications, preventing natural elbow action with prostheses in place, has suffered the anatomical loss of both legs so near the hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of one arm and one leg so near the shoulder and hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of both eyes, or has suffered blindness without light perception in both eyes, the monthly compensation shall be [$2,526] *$2,647*;

(o) if the veteran, as the result of service-connected disability, has suffered disability under conditions which would entitle such veteran to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or if the veteran has suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at 60 percent or more disabling and the veteran has also suffered service-connected total blindness with 5/200 visual acuity or less, of if the veteran has suffered service-con-

nected total deafness in one ear or bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at 40 percent or more disabling and the veteran has alsc suffered service-connected blindness having only light perception or less, or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of prosthetic appliances, the monthly compensation shall be [$2,823] *$2,959*;

(p) in the event the veteran's service-connected disabilities exceed the requirements for any of the rates prescribed in this section, the Secretary may allow the next higher rate or an intermediate rate, but in no event in excess of [$2,823] *$2,959*. In the event the veteran has suffered service-connected blindness with 5/200 visual acuity or less and (1) has also suffered bilateral deafness (and the hearing impairment in either one or both ears in service connected) rated at no less than 30 percent disabling, the Secretary shall allow the next higher rate, or (2) has also suffered service-connected total deafness in one ear or service-connected anatomical loss or loss of use of one hand or one foot, the Secretary shall allow the next intermediate rate, but in no event in excess of [$2,823] *$2,959*. In the event the veteran has suffered service-connected blindness, having only light perception or less, and has also suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) reated at 10 or 20 percent disabling, the Secretary shall allow the next intermediate rate, but in no event in excess of [$2,823] *$2,959*. In the event the veteran has suffered the anatomical loss or loss of use, or a combination of anatomical loss and loss of use, of three extremities, the Secretary shall allow the next higher rate or intermediate rate, but in no event in excess of [$2,823] *$2,949*. Any intermediate rate under this subsection shall be established at the arithmetic mean, rounded down to the nearest dollar, between the two rates concerned;

* * * * * * *

(r) Subject to section 3203(e) of this title, if any veteran, otherwise entitled to compensation authorized under subsection (o) of this section, at the maximum rate authorized under subsection (p) of this section, or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section, is in need of regular aid and attendance, then, in addition to such compensation—

(1) the veteran shall be paid a monthly aid and attendance allowance at the rate of [$1,212] *$1,270;* or

(2) if the veteran, in addition to such need for regular aid and attendance, is in need of a higher level of care, such veteran shall be paid a monthly aid and attendance allowance at the rate of [$1,805] *$1,892,* in lieu of the allowance authorized in clause (1) of this subsection, if the Secretary finds that the veteran, in the absence of the pro-

vision of such care, would require hospitalization, nursing home care, or other residential institutional care.

* * * * * * *

(s) If the veteran has a service-connected disability rated as total, and (1) has additional service-connected disability or disabilities independently ratable at 60 percent or more, or, (2) by reason of such veteran's service-connected disability of disabilities, is permanently housebound, then the monthly compensation shall be [$1,812] *$1,899*. For the purposes of this subsection, the requirement of "permanently housebound" will be considered to have been met when the veteran is substantially confined to such veteran's house (ward or clinical areas, if institutionalized) or immediate premises due to a service-connected disability or disabilities which it is reasonably certain will remain throughout such veteran's lifetime.

§ 315. Additional compensation for dependents

Any veteran entitled to compensation at the rates provided in section 314 of this title, and whose disability is rated not less than 30 percent, shall be entitled to additional compensation for dependents in the following monthly amounts:

(1) If and while rated totally disabled and—

(A) has a spouse but no child, [$96] *$101*;

(B) has a spouse and one or more children, [$163] *$171* plus [$50] *$52* for each child in excess of one;

(C) has no spouse but one or more children, [$67] *$70* plus [$50] *$52* for each child in excess of one;

(D) has a parent dependent upon such veteran for support, then, in addition to the above amounts, [$77] *$81* for each parent so dependent;

(E) notwithstanding the other provisions of this paragraph, the monthly payable amount on account of a spouse who is (i) a patient in a nursing home or (ii) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be [$178] *$187* for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this section; and

(F) notwithstanding the other provisions of this paragraph, the monthly amount payable on account of each child who has attained the age of eighteen years and who is pursuing a course of instruction at an approved educational institution shall be [$149] *$156* for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this section.

* * * * * * *

Subchapter VI—General Compensation Provisions

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§ 362. Clothing allowance

The Secretary under regulations which the Secretary shall prescribe, shall pay a clothing allowance of [$436] *$457* per year to each veteran who—

(1) * * *

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CHAPTER 13—DEPENDENCY AND INDEMNITY COMPENSATION FOR SERVICE-CONNECTED DEATHS

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Subchapter II—Dependency and Indemnity Compensation

* * * * * * *

§ 411. Dependency and indemnity compensation to a surviving spouse

(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

[

Pay grade	Monthly rate	Pay grade	Monthly rate
E–1	$594	W–4	$852
E–2	612	O–1	752
E–3	629	O–2	776
E–4	668	O–3	831
E–5	686	O–4	879
E–6	701	O–5	969
E–7	735	O–6	1,094
E–8	776	O–7	1,181
E–9	[1] 811	O–8	1,295
W–1	752	O–9	1,389
W–2	782	O–10	[2] 1,524
W–3	805		

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $875.

[2] If the veteran served as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,633.]

Pay grade	*Monthly rate*	*Pay grade*	*Monthly rate*
E–1	*$623*	*W–4*	*$893*
E–2	*641*	*O–1*	*788*
E–3	*659*	*O–2*	*813*
E–4	*700*	*O–3*	*871*
E–5	*719*	*O–4*	*921*
E–6	*735*	*O–5*	*1,016*
E–7	*770*	*O–6*	*1,147*
E–8	*813*	*O–7*	*1,238*
E–9	*[1] 850*	*O–8*	*1,357*
W–1	*788*	*O–9*	*1,456*
W–2	*820*	*O–10*	*[2] 1,597*
W–3	*844*		

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $917.

[2] If the veteran served as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,711.

(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by [$68] *$71* for each such child.

(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by [$178] *$187* if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

(d) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by [$87] *$91* if the surviving spouse is, by reason of disability, permanently housebound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For the purposes of this subsection, the requirement of "permanently housebound" will be considered to have been met when the surviving spouse is substantially confined to such surviving spouse's home (ward or clinical areas, if institutionalized) or immediate premises by reason of a disability or disabilities which it is reasonably certain will remain throughout such surviving spouse's lifetime.

* * * * * * *

§ 413. Dependency and indemnity compensation to children

(a) Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

(1) one child, [$299] *$313*;

(2) two children, [$431] *$452*;

(3) three children, [$557] *$584*;

(4) more than three children, [$557] *$584*; plus [$110] *$115* for each child in excess of three.

* * * * * * *

§ 414. Supplemental dependency and indemnity compensation to children

(a) In the case of a child entitled to dependency and indemnity compensation who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, the dependency and indemnity compensation paid monthy to such child shall be increased by [$178] *$187*.

(b) If dependency and indemnity compensation is payable monthly to a person as a surviving spouse and there is a child (of such person's deceased spouse) who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of de-

pendency and indemnity compensation to the surviving spouse, in the amount of [$299] *$313.*

(c) If dependency and indemnity compensation is payable monthly to a person as a surviving spouse and there is a child (of such person's deceased spouse), who has attained the age of eighteen and who, while under the age of twenty-three, is pursuing a course of instruction at an educational institution approved under section 104 of this title, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the surviving spouse, in the amount of [$151] *$158.*

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